

## Message Text

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ACTION EUR-12

INFO OCT-01 EA-10 ISO-00 AID-05 CIAE-00 EB-07 FRB-01

INR-07 NSAE-00 TRSE-00 XMB-04 OPIC-06 SP-02 CIEP-02

LAB-04 SIL-01 OMB-01 OES-05 FEA-01 INT-05 STR-04 PA-02

PRS-01 USIA-15 /096 W

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R 142228Z MAR 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 9313

INFO AMEMBASSY BONN

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

USMISSION OECD PARIS

USDOC WASHDC

UNCLAS LONDON 03994

DEPARTMENT PASS TREASURY AND FRB

E.O. 11652: N/A

TAGS: EFIN, UK

SUBJECT: UK TRADE AND CURRENT ACCOUNT IN FEBRUARY

BEGIN SUMMARY: THE UK CURRENT ACCOUNT WAS IN DEFICIT BY 166 MILLION POUNDS (S.A.) IN FEBRUARY, A SLIGHT DETERIORATION FROM THE 155 MILLION POUND DEFICIT RECORDED IN JANUARY.

THE VISIBLE TRADE DEFICIT WAS 286 MILLION POUNDS (S.A.) COMPOSED OF A DEFICIT OF 263 MILLION POUNDS IN TRADE IN PETROLEUM AND RELATED PRODUCTS, AND A DEFICIT OF 23 MILLION POUNDS IN TRADE IN NON-OIL GOODS. PROVISIONAL ESTIMATES INDICATE EXPORTS OF 1,459 MILLION POUNDS (F.O.B. S.A.) AND IMPORTS OF 1,745 MILLION POUNDS (F.O.B., S.A.).

THE BALANCE ON SERVICES AND OTHER CURRENT TRANSACTIONS IS ESTIMATED TO HAVE BEEN IN SURPLUS BY 120 MILLION POUNDS.

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END SUMMARY

1. TRADE ACCOUNT. IN FEBRUARY, THE UK TRADE DEFICIT WAS RECORDED AT 286 MILLION POUNDS (S.A., F.O.B., B/P BASIS) A DETERIORATION OF 11 MILLION POUNDS OVER THE JANUARY LEVEL. THIS WAS COMPOSED OF A DEFICIT IN TRADE IN PETROLEUM AND PETROLEUM RELATED PRODUCTS OF 263 MILLION POUNDS, AN IMPROVEMENT OF 49 MILLION POUNDS OVER JANUARY AND A DEFICIT IN TRADE IN NON-OIL GOODS OF 23 MILLION POUNDS, A TURNAROUND OF SOME 60 MILLION POUNDS FROM THE JANUARY SURPLUS OF 37 MILLION POUNDS (REVISED).

2. TRADE VOLUME AND TERMS OF TRADE. THE VOLUME OF BOTH EXPORTS AND IMPORTS DECLINED DURING FEBRUARY. THE EXPORT VOLUME INDEX FELL FROM 136.4 IN JANUARY TO 126.5 IN FEBRUARY (S.A., 1970 EQUALS 100), A DECREASE OF ABOUT 7.3 PERCENT, WHILE THE IMPORT VOLUME INDEX DECLINED BY ONLY 2.7 PERCENT, FALLING FROM 127.5 TO 124.0. IN VALUE TERMS ON A NON-SEASONALLY ADJUSTED BASIS, BOTH EXPORTS AND IMPORTS INCREASED OVER THE MONTH PRODUCING A 1-1/2 PERCENT IMPROVEMENT IN THE TERMS OF TRADE. THE EXPORT UNIT VALUE INDEX ROSE FROM 182.2 TO 185.1 (N.S.A., 1970 EQUALS 100) JANUARY TO FEBRUARY; THE IMPORT UNIT VALUE INDEX ROSE FROM 235.9 TO 236.1

3. IMPORTS AND EXPORTS. THE VALUE OF BOTH UK IMPORTS AND EXPORTS DECLINED DURING THE MONTH. THE VALUE OF UK IMPORTS DECLINED BY 92 MILLION POUNDS TO 1,745 MILLION POUNDS (S.A., F.O.B., B/P BASIS); THE VALUE OF UK EXPORTS FELL BY 103 MILLION POUNDS TO 1,459 MILLION POUNDS (S.A., F.O.B., B/P BASIS).

4. INVISIBLE TRADE AND CURRENT ACCOUNT. THE BALANCE ON SERVICES AND OTHER CURRENT TRANSACTIONS IS ESTIMATED TO HAVE BEEN IN SURPLUS BY ABOUT 120 MILLION POUNDS DURING FEBRUARY. THUS THE VISIBLE TRADE DEFICIT OF 286 MILLION POUNDS, COMBINED WITH THE INVISIBLES SURPLUS OF 120 MILLION POUNDS, YIELDED A DEFICIT ON CURRENT ACCOUNT OF 166 MILLION POUNDS.

5. THE CUMULATIVE TOTALS FOR 1975 IN THE VISIBLE ACCOUNT UNCLASSIFIED

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COMPARED TO 1974 ARE:

	EXPORTS	IMPORTS	BALANCE
1974	2,165	2,995	-830
1975	3,021	3,582	-561

NOTE: ALL FIGURES ARE S.A., F.O.B., B/P BASIS IN MILLIONS OF POUNDS. THE DATA FOR FEBRUARY ARE PROVISIONAL.

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**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
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**TAGS:** EFIN, UK  
**To:** STATE  
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